

IDAPA 18 - IDAHO DEPARTMENT OF INSURANCE
18.01.76 - PROPERTY CASUALTY ACTUARIAL OPINION RULE
DOCKET NO. 18-0176-0601 (NEW CHAPTER)
NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1) and 67-5226, Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Title 41, Chapter 2, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, August 16, 2006.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

A property and casualty insurer's Annual Financial Statement is required to be filed with the Department of Insurance on March 1st. The insurer is also required to submit an Actuarial Opinion on loss and loss adjustment expense reserves. The Actuarial Opinion is a public document. A detailed Actuarial Report including all work papers supporting the Actuarial Opinion is then required to be available for examination by May 1.

The rule, which follows a National Association of Insurance Commissioners' model, was created to require insurers to annually submit to regulators an "Actuarial Opinion Summary" of the Actuarial Report. The summary must provide information on the opining actuary's best estimate or a range of reasonable estimates, and include additional information as required by the NAIC Annual Statement Instructions.

The summary is due shortly after the time the Actuarial Opinion and Financial Statement are filed so regulators can detect companies in need of further investigation in a timely manner. The rule will apply to the 2007 Annual Statement filing.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A

FISCAL IMPACT: The following is a specific description, if applicable, of any fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year. N/A

NEGOTIATED RULEMAKING: Pursuant to IDAPA 04.11.01.811, negotiated rulemaking was not conducted because the rule is based on a model developed by the National Association of Insurance Commissioners.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Martha Hopper at (208) 334-4315.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before August 23, 2006.

DATED this 28th day of June, 2006.

Shad Priest, Acting Director
Idaho Department of Insurance
700 West State Str, 3rd Floor
Boise, Idaho 83720-0043
Phone: (208) 334-4250
Fax: (208) 334-4398

THE FOLLOWING IS THE TEXT OF DOCKET NO. 18-0176-0601

IDAPA 18
TITLE 01
CHAPTER 76

18.01.76 - PROPERTY AND CASUALTY ACTUARIAL OPINION RULE

000. LEGAL AUTHORITY.

This rule is promulgated and adopted pursuant to the authority vested in the Director under Title 41, Chapters 2, Idaho Code. ()

001. TITLE AND SCOPE.

01. Title. This rule shall be cited as IDAPA 18.01.76, "Property and Casualty Actuarial Opinion Rule." ()

02. Scope. This rule shall apply to annual statements filed with the Director as of the end of the first full calendar year following the effective date of the rule, and shall apply to all property and casualty companies doing business in this State. This rule is intended to provide the Director of the Department of Insurance with additional means to monitor an insurer's loss reserves in accordance with Section 41-610, Idaho Code. ()

002. WRITTEN INTERPRETATIONS.

In accordance with Section 67-5201(19)(b)(iv), Idaho Code, this agency may have written statements which pertain to the interpretation of the rules of the chapter, or to the documentation of compliance with the rules of this chapter. These documents will be available for public inspection and copying in accordance with the public records act. ()

003. ADMINISTRATIVE APPEALS.

All administrative appeals shall be governed by Chapter 2, Title 41, Idaho Code, and the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code and IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General." ()

004. INCORPORATION BY REFERENCE.

The National Association of Insurance Commissioners Property and Casualty Annual Statement Instructions are hereby incorporated by reference. ()

005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS, STREET ADDRESS AND WEB SITE.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays. ()

02. Mailing Address. The department's mailing address is: Idaho Department of Insurance, P.O. Box 83720, Boise ID, 83720-0043. ()

03. Street Address. The principal place of business is 700 West State Street, 3rd Floor, Boise, Idaho 83720-0043. ()

04. Web Site Address. The department's web address is <http://www.doi.idaho.gov>. ()

006. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with these rules are subject to the provisions of the Idaho Public Records Act, Title 9, Chapter

3, Idaho Code. ()

007. -- 020. (RESERVED).

021. ACTUARIAL OPINION OF RESERVES AND SUPPORTING DOCUMENTATION.

01. Statement of Actuarial Opinion. Every property and casualty insurance company doing business in this state, unless otherwise exempted by the domiciliary commissioner, shall annually submit the opinion of an Appointed Actuary entitled "Statement of Actuarial Opinion." This opinion shall be filed in accordance with the appropriate National Association of Insurance Commissioners Property and Casualty Annual Statement Instructions. ()

02. Actuarial Opinion Summary. ()

a. Every property and casualty insurance company domiciled in this state that is required to submit a Statement of Actuarial Opinion shall annually submit an Actuarial Opinion Summary, written by the company's Appointed Actuary. This Actuarial Opinion Summary shall be filed in accordance with the appropriate National Association of Insurance Commissioners ("NAIC") Property and Casualty Annual Statement Instructions and shall be considered to be a document supporting the Actuarial Opinion required in Subsection 021.01 of this chapter. ()

b. A company licensed but not domiciled in this state shall provide the Actuarial Opinion Summary upon request. ()

03. Actuarial Report and Work Papers. ()

a. An Actuarial Report and underlying work papers as required by the appropriate NAIC Property and Casualty Annual Statement Instructions shall be prepared to support each Actuarial Opinion. ()

b. If the insurance company fails to provide a supporting Actuarial Report or work papers at the request of the Director of the Idaho Department of Insurance, or, after review, the Director determines the supporting Actuarial Report or work papers provided by the insurance company do not comply with the NAIC Property and Casualty Annual Statement Instructions or are otherwise unacceptable, the Director may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion, and to prepare the supporting Actuarial Report or work papers. ()

022. CONFIDENTIALITY.

01. The Statement of Actuarial Opinion. Shall be provided with the Annual Statement in accordance with the appropriate NAIC Property and Casualty Annual Statement Instructions and shall be treated as a public document. ()

02. Actuarial Report. ()

a. Documents, materials or other information in the possession or control of the Department of Insurance that are considered an Actuarial Report, work papers or Actuarial Opinion Summary provided in support of the opinion, and any other material provided by the company to the Director in connection with the Actuarial Report, work papers or Actuarial Opinion Summary, will be considered to be exempt from public disclosure under Section 9-340D(5), Idaho Code, of the Idaho Public Records Act. ()

b. This provision shall not be construed to limit the Director's authority to release the documents to the Actuarial Board for Counseling and Discipline (ABCD) so long as the material is required for the purpose of professional disciplinary proceedings and that the ABCD establishes procedures satisfactory to the Director regarding disclosure of the documents, nor shall this section be construed to limit the Director's authority to use the documents, materials or other information in furtherance of any regulatory or legal action brought as part of the Director's official duties. ()

03. Director's Duties. In order to assist in the performance of his duties, the Director may enter into agreements governing sharing and use of materials or information subject to Subsection 021.02 of this chapter with other state, federal and international regulatory agencies, with the National Association of Insurance Commissioners and its affiliates and subsidiaries, and with state, federal and international law enforcement authorities. (____)

04. Waiver. No waiver of any applicable privilege or claim of confidentiality in the documents, materials or information shall occur as a result of disclosure to the director in Section 022 or as a result of sharing as authorized in Subsection 021.03 of this chapter. (____)

023. -- 999. (RESERVED).